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# Message Text

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61
ACTION AF-06

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 EB-07 CIEP-01 TRSE-00 STR-04 OMB-01 CEA-01

COME-00 FRB-03 XMB-02 OPIC-03 LAB-04 SIL-01 IGA-01

/086 W
---------- 051125
R 291650Z OCT 75
FM AMEMBASSY COTONOU
TO SECSTATE WASHDC 7739
INFO AMEMBASSY ABIDJAN

C O N F I D E N T I A L COTONOU 1639

EO 11652: GDS
TAGS: EINV, PFOR, EAID, DM
SUBJ: NATIONALIZATION OF AMERICAN INTERESTS IN DAHOMEY

REF A. COTONOU 1629 B. COTONOU 1622 C. COTONOU 1570 D. STATE 241349
E. STATE 225826 F. COTONOU 984 G. COTONOU 929

1. DURING COURSE OF MY MEETING WITH DAHOMEY'S FORMIN ALLADAY

ON OCT 24, I RAISED SUBJECT OF HIS GOVT'S NATIONALIZATION OF MOBIL AND TEXACO LAST DEC AND TWO BANKS IN WHICH BANK OF AMERICA AND FIRST NATIONAL CITY HAD INDIRECT INTERESTS IN JUNE 1975. IN SAID THAT WHEN I WAS IN WASHINGTON RECENTLY I HAD BEEN QUESTIONED ABOUT THE LACK OF PROGRESS IN THE DIRECTION OF INDEMNIFICATION, AND I WAS UNABLE TO EXPLAIN WHEY THERE HAD APPARENTLY BEEN NONE. THE EMBASSY HAD MADE FURTHER EFFORTS TO OBTAIN INFO RE THE STATUS OF THE WORK OF THE VARIOUS COMM-ISSIONS REPORTEDLY SET UP TO DEAL WITH THE MATTER. WE COULD FIND NO EVIDENCE OF ANY PROGRESS IN ANY OF THE FOUR CASES.

2. ALLADAYE EXPRESSED OPINION THAT AMERICAN FIRMS CONCERNED
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AND THE USG WERE BEING UNREASONABLE. IT ALWAYS TOOK TIME,

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HE SAID, TO VERIFY ITEMS OF NATIONALIZED PROPERTY. THERE
WAS MUCH DETAIL. THE DAHOMEAN GOVT HAD ALREADY SETTLED WITH
"MOST" OF THE FOREIGN FIRMS TAKEN OVER IN RECENT YEARS.
HE CITED CASES OF FRENCH-OWNED ELECTRIC COMPANY (1973), SHELL
OIL (1974) AND EUROPEAN GROUP OWNING MOST OF SOCIETE DAH-
OMEENNE DE BANQUE (SDB, 1974). I NOTED THAT NO ATTENTION SEEMED
TO BE PAID TO THE AFFECTED AMERICAN INTERESTS, WHICH WERE THE
ONLY SUBJECT OF AMERICAN CONCERN. ALLADAYE ASSERTED THAT THE
DAHOMEAN GOVT WOULD INDEMNIFY ALL RIGHTFUL CLAIMANTS, BUT
ONLY AFTER THOROUGH REVIEW OF EACH CASE. GOVT DID NOT HAVE MUCH
MONEY AT PRESENT WITH WHICH TO EFFECT PAYMENT. SETTLEMENT
WOULD TAKE SOME TIME. IT WAS UNREASONABLE TO EXPECT INDEMNIFI-
CATION OF CLAIMS DATING ONLY FROM LAST DEC; THERE WERE SO MANY.
EVERY CLAIMANT HAD TO TAKE HIS TURN. PENDING COMPLETION OF THE
"VERIFICATION" WORK BY THE INDEMNIFICATION COMMISSIONS, THE EX-
OWNERS AND THEIR GOVTS SHOULD HAVE FAITH IN THE DAHOMEAN GOVT'S
GOOD WORD. WE MUST REMEMBER THAT DAHOMEY WAS A POOR LITTLE COUNTRY.

3. WE HAVE RECENTLY BEEN TOLD BY THE SENIOR CIVIL SERVANT
IN MIN OF INDUSTRY AND COMMERCE THAT THE COMMISSION SET UP TO
DEAL WITH MOBIL AND TEXACO TAKEOVERS HAS BEEN MORIBUND FOR
SEVERAL MONTHS.

4. COMMENT: ALLADAYE'S REACTION AND THOSE OF PRES KEREKOU
(REF C) AND MIN OF INDUSTRY AND COMMERCE ATCHADE (WHOM I SAW
OCT 17, MEMCON POUCHED) SERVE TO CONFIRM PESSIMISTIC ESTIMATE
WE HAVE HELD ALL ALONG RE INDEMNIFICATION PROSPECTS. THERE
HAS NEVER BEEN ANY CONCRETE EVIDENCE THAT ANYTHING HAS BEEN DONE
TO DATE TO VERIFY OR CONSIDER THE AMERICAN INTERESTS IN QUES-
TION. ALSO CONSPICIOULY LACKING IN A SENSE OF URGENCY OR
EVEN ACTIVE INTEREST ON THE PART OF THE DAHOMEAN GOVT. WE
BELIEVE GOVT'S STRATEGY IS TO GET BY AS LONG AS POSSIBLE ON
(A) ITS PROMISE TO INDEMNIFY AND (B) FACT IT HAS SETTLED IN
A FEW CASES WITH FIRMS OTHER THAN AMERICAN.

5. AS SOON AS I AM RECEIVED BY FINMIN AMOUSSOU (APPOINTMENT
REQUESTED BY NOTE OCT 3), WHOM I WILL QUESTION REGARDING
STATUS OF INDEMNIFCATION WORK ON BANKS, WE WILL SUBMIT UPDATED
ROUNDUP ON SUBJECT OF INDEMNIFICATION.
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# Message Attributes

**Automatic Decaptioning:** X
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**TAGS:** EINV, PFOR, EAID, DM
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